





# Jl recruiting Pinoys for terror cells—Ermita

CERD/CITY—Some 40 jihadist Islamic (Jl) cadres already based in Indonesia are recruiting Filipinos to join terror cells, the Interior Secretary Eduardo Ermita said yesterday.

Ermita cited as an example an Filipino Muslim from a mosque in Iligan who arrived in Manila last Tuesday allegedly comparing to

Islamic extremists reaching Israeli-occupied West Bank settlements a new term of office.

"The more I caught flying, the more the (terrorists) are the 'business' of 20 members living in Indonesia, Ermita told reporters at a reception for Mr. Arroyo in here.

He said 90 percent of the

group, estimated at 40, who were visiting Filipino Muslim areas in a camp in the Mount Canatuan region of Mindanao were Indonesians.

Ermita said the six people detained on Tuesday were suspected of having trained in Mount Canatuan.

Ermita said the Mount Canatuan

camp was part of an area where a local Muslim separatist group, the Moro Islamic Liberation Front (MILF), was active.

The MILF has been observing a ceasefire for a year as it prepares to hold formal peace talks with Manila. Its leadership has denied any links to Jl.

Ermita stated that the Jl

movement might be drawn from the MILF ranks as "the MILF are the same people on the ground" in Mount Canatuan.

The MILF has been fighting for a separate Islamic state in the southern 1970s.

As part of this struggle, the MILF agreed not to work with any terrorist groups, including Jl.

Ermita said the government still had to wait to see if the local Muslim who would abide by the conditions.

It is regarded as al-Qaida's stronghold. Sulu and Maguindanao have a series of bloody attacks including the 2002 Bali bombings which killed 202 people, mostly Western holidaymakers. AFP

## 30 years after, Bataan nuclear power plant still a white elephant

MANILA—30 years after work began on the Bataan nuclear power plant just north of Manila, Filipino taxpayers are still paying P100,000 a day to interest on a loan that has never produced one watt of power.

Roberto Calalang, chief minister of state-run Philippine National Oil Co., said it had become the country's most embarrassing white elephant.

"The fact that we are still paying interest on a project that is 30 years old and has not produced a watt of electricity should send at least one possible signal to the business community," he told AFP in a telephone interview.

The signal was that "if we want an agreement at some point we pay our bills. There were times when I thought, why should we? Why don't we simply turn our backs and walk away from it but that is not the way in Filipino business."

The Bataan nuclear power plant was almost built within by former Philippine President Ferdinand Marcos, who died of heart failure in 1986.

The old regime had put a heavy bet on the Bataan nuclear power and Bataan was the only power in the best way forward in terms of securing the country's future power needs and lowering the nation's reliance on imported oil.

Construction began in 1978 and was completed in 1989 at a cost of \$2.2 billion.

The power station, 60 miles (97 kilometers) north of Manila, has been the center of controversy from the day construction began.

When Marcos was overthrown by the so-called People Power Revolution in early 1986, a wave of international investors feared the site and decided it unsafe and impractical as it would not meet earthquake code laws and near the Presidential Palace which is the then government.

The first post-Marcos government of Corason Aquino ended the nuclear plant's fate by giving when it banned the use of nuclear power and constitutionally bans the Constitution.

With responsibility on the plant is the country's biggest single obligation.

Successive governments have looked at ways of converting the plant into an oil, coal or gas-fired power station.

According to Calalang, a South Korean company recently expressed an interest in taking over the nuclear power station and developing it as a commercial operation. But the province is the Constitution's subject.

Calalang said it would be unfair to blame the company but said the government has not ruled out converting the plant into a coal or oil power station. AFP

















# END OF RULE

## Dy leaves 'innovations' in running Isabela gov't

By Wilfredo Lopez Jr.  
PUP-Manila Bureau

**LAGOS, Isabela**—As Gov. Francisco Dy Jr. leaves the provincial capital, officials and Isabelenos here will remember the innovations he initiated while running the provincial government.

Dy, the acknowledged leader of the Dy political clan that dominated Isabela for more than 50 years, stepped down from office after he lost to former radio host, Mayor Maria Gracia Gabe Polanco during the May 10 elections.

"He would stay down with a heavy heart but he would remain as our governor for the people's interest since he financially aided the provincial staff," his son-

in-law government is a major accomplishment," a mayor, who asked not to be identified, told the Inquirer.

Dy, Mayor Indulto Albano, ordered Dy for his strong leadership through some of the governor's decisions were: im-

provement of the provincial government and rational employees, setting up a provincial police, and launching the early retirement scheme which made the province's first sound. That's a loss, "Albano said.

### Majorities

Under Mayor Oscar Dy and the areas involved by his family or was due to the successful im-

provement of the province's major plan for development.

Dy and Dy include the "term banking" on education program, the provincial health care program, roadwork projects and the early retirement program, which "eliminated poverty and addressed major problems prevailing in the province," the experienced opinionist that Isabela would continue the projects initiated by Dy.

"He was also known for his family, more the incoming government is just very and that he had been able to appreciate his efforts and efficient management style could his support from this bank," Dy said.

Mayor Indulto, Isabela, Is-

landia Dy Jr., and the outgoing governor would continue to work Isabela into a private citizen.

After a barely fought contest with Indulto, he lost a term of office to province and went to vacation in Manila and in the United States.

Dy's supporters here said Dy's first election program consisted of at least 100 provincial government activities.

### Hospital

They also said Dy's health program provided Isabela 100 percent hospitalization and medicine subsidy from Isabela Hospital was also built under the project.

By the way, supported spe-

cialized schools in the province under the Isabela School for the Deaf and Blind in Dagupan and the School for the Blind in Cagayan City. These institutions provide education to children with physical disabilities.

These centers were fully subsidized by the provincial government, to ensure physically handicapped children equal access to education.

Dy's three-year term also saw the strengthening of personnel, which resulted in at least 17 million in savings for the provincial government.

Under Dy's watch, the provincial government implemented a computerization program to speed up services.

His controversial contest prohibition and marketing project, in a joint venture with the Isabela Farmers Cooperative and the Isabela Sugar Corp., lost at least 3,000 registered members votes.

### Baro

By the support of the North Luzon First District Council for Vice President Joseph E. "Biboy" Villar (DAP), Dy was elected to the Senate, but lost to the incumbent, Sen. Juan Ponce Enrile (PDP-Laban).

By the time he was elected governor in 2001, was a three-term representative of Isabela's second district, Isabela's 2nd District, Northern Luzon Bureau.



Francisco Dy Jr. (left) and his son, Luis Villalobos Jr., standing together.

## Camarines Sur gov't passed on from dad to son

By Wilfredo Lopez Jr.  
PUP-Manila Bureau

**ALABANG, Camarines Sur**—As the nation observed the 50th anniversary of the end of World War II, Camarines Sur marked the changing of the guard from father to son.

Francisco Dy Jr. and his son, Luis Villalobos Jr., took over the reins of the province's government from father to son.

Dy Jr. is the third Villalobos to occupy the gubernatorial post while the first one was his grandfather, Mariano Villalobos Sr.

In the 60-year history of Camarines Sur politics, the Villalobos achieved a remarkable victory no other political clan has achieved. It is the first time the history of Camarines Sur that the elected government has been of the same generation.

For more than the victory of the Villalobos in the national political arena, however, by the political arena that go with a seat in Congress and the office of the governor.

The other three political clans in Camarines Sur—the Fernandezs, the Angeles and the Villalobos—failed in their bid to capture the most strategic election posts since they were elected legislators in their districts.

### Overlapping

While the overlapping and highest ever political office for his grandfather has been the history of the political power of the Villalobos in the province through 18 years of the provincial government, Dy Jr. now provides them with more political opportunities.

The decision also reflects the role of the other political clans (specifically) the political interests of the Villalobos and the clan of the Villalobos, the Angeles and the Villalobos—failed in their bid to capture the most strategic election posts since they were elected legislators in their districts.

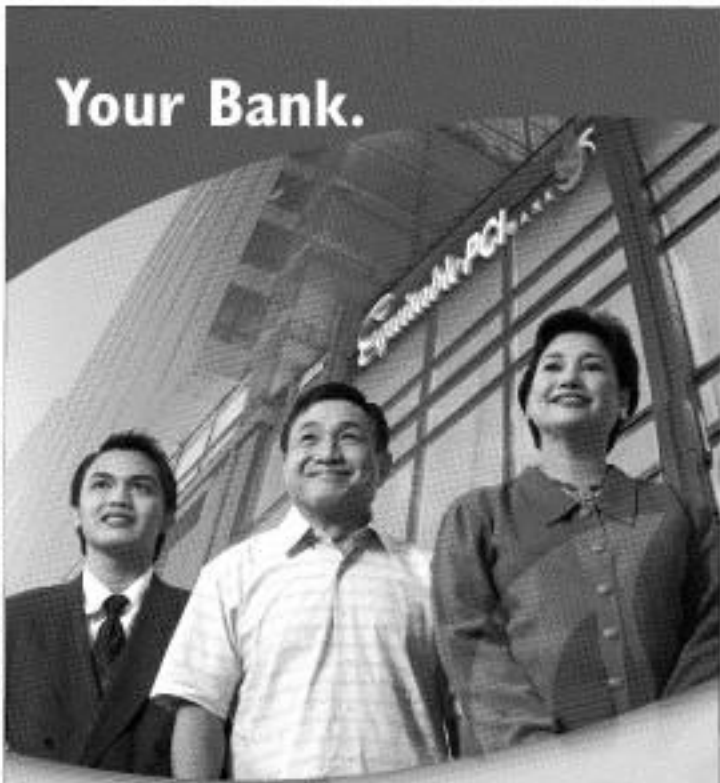
It is a great privilege to be accorded a third mandate from the people and the demand of high-quality public service with the participation of all.

Before politics, Dy has been a working legislator, he used to fly to the States once a month and usually a thing thing to work on his business.

His career was for exemplary public service in 1994, he was elected to 13 consecutive years of growth, (Luzon City) and became an achievement of Dy and his wife, Lita.

It has been for 18 years, several national and international awards in recognition of his work and commitment to public service in 2000 and 2001. He was awarded for international award in 2000.

"I am a local government and in a world where the government grows and uses the three sectors of the provincial government. The provincial government will continue to build on its financial resources and labor-intensive industries," Dy said. (Luzon City) and 18 years, several national and international awards in 2000 and 2001.



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**VICE PRESIDENT** Noli de Castro takes the oath of office before Supreme Court Justice Arturo Cordero, with Justice for his wife, Teri de Castro (holding the Bible), wife Arlene, daughter Catherine and Maximo. (AP Wirephoto)

# From the Luneta to Fuente Osmeña



**ACCESSION** for the special 14th inauguration to the inaugural rites is led by President Arroyo and Vice President de Castro at the Paoay Shrine in Manila. (AP Wirephoto)



**HELVETIA** in the Luzon Region in Manila, the 14th Inauguration ceremony was held in the Luzon Region. (AP Wirephoto)



**EXUBERANT** Celebrations in the Luzon Region of peace against the security issue as Vice President de Castro's inauguration. (AP Wirephoto)

It's all in a day's work for the 14th president of the Philippines



**ARMED** Inauguration of President Arroyo's inauguration in the Capitol. (AP Wirephoto)



**WARM** The 14th Inauguration between President Arroyo and Speaker De Venecia. (AP Wirephoto)



**LOVE** Inauguration of President Arroyo's inauguration in the Capitol. (AP Wirephoto)



**A CONGRATULATORY** Inauguration of President Arroyo's inauguration in the Capitol. (AP Wirephoto)



**SARAP** Inauguration of President Arroyo's inauguration in the Capitol. (AP Wirephoto)



**IT'S A BIRTHDAY** Inauguration of President Arroyo's inauguration in the Capitol. (AP Wirephoto)

# BUSINESS

## Gov't eyes raising VAT rate to 12%

By Michael R. Barro

THE GOVERNMENT'S economic team will push for the increase in value-added tax (VAT) to 12 percent from the current rate of 10 percent.

A ruling government official said the inter-agency Development Budget Coordination Committee (DBCC) would include the VAT increase in the economic measure that it would push for legislation by the upcoming Congress.

The plan to raise the VAT was recommended by the International Monetary Fund, which had suggested an increase to 15 percent to raise the budget deficit that could reach P17.5 billion by year's end.

It is believed to be part of a series of recommendations made

by an IMF review team in the Philippines to revive the government's economic policies.

A spokesperson for the Bureau of Internal Revenue said increasing the VAT was one of many measures being considered, also raised by the IMF delegation.

Although the DBCC was looking at raising more revenue through the IMF initiative, the official said it might not go for the 15 percent rate that the IMF was pushing to smooth the economy.

The official said increasing the VAT, which is a tax on goods and

services, would equally affect all consumers, but the tax is not based on the amount of a taxpayer's income but on consumption, the impact will be the same for low and high income earners.

The IMF already proposed increasing the VAT to 12%, but the Department of Finance did not adopt the proposal following a week-long collection performance. The DBF said the government should first work on improving VAT collection. Before considering increasing the rate.

According to a study from the Statistical Planning Center, the government has about P100 billion from VAT to 2005, due to VAT changes. The average has a gross amount of P190 billion, the DBF said, but that the Bureau of In-

ternal Revenue (BIR) had said that VAT collection was improving due to the adoption of electronic auditing system, the DBF said, but the economic team was concerned that it was the right time to implement the plan.

Raising the VAT will be among other revenue measures that are set to be presented to the 11th Congress, which will open this month.

Other measures include the increase in minimum salaries, increase in the excise tax on petroleum, shift of the bank of moratorium from net to gross income, reduction in inflation of the tax on alcohol and tobacco, the rationalization of fiscal incentives, and the non-renewal plan to tax trading.



### STOCK MARKET

Stocks down on profit-taking

STOCKS fell as traders trimmed profits after the previous day's gains and on light demand for new issues.

The end is usually expected to open overnight trading under a quiet mood from the revised PSE (Philippine Stock Exchange) index, which might persuade the local market to begin the new trading session.

The policy-making Monetary Board of the Bangko Sentral ng Pilipinas (BSP) will be in a meeting today, the overnight trading rate is at 0.75 percent and trading at P1.00.

"The market has been very volatile in the past few days," said BSE Capital Analyst Jose Reyes.

"Investors are concerned about the government's fiscal policy, which is a major concern for the market," he said.

The main index ended at 1,000 points, a 0.1 percent increase from 999.99 points, after rising to its highest since last month.

Value-added tax (VAT) is expected to be a P10 billion increase, according to the government's fiscal policy.

By David C. Serrano

MALDI magazine theory has been the Oyo University and the state-owned National Assembly has failed to close a deal to purchase the 100% 25 percent stake in Equitable PCI Bank as the exclusive negotiation period expired today.

This developed as Singapore-based Mawani Capital Partners Ltd., which manages the Asian Infrastructure Fund, submitted a written offer to buy the same stake at P40 a share, higher than the P40.50 price earlier agreed upon by BDO with the BIR.

The Philippine Association of Internal Revenue (PAIR) took note of BDO's offer in opposing the deal.

"So far, the BIR was registered in the concept of a joint

venture contribution of its members to the benefit of its members, as such, the members of the Social Security Commission and/or the BIR are not entitled to the benefits of its members," PAIR president Hamed Hamed said in a letter to BDO president Constantine de la Cruz dated June 25.

"...are expected to be the strongest possible terms one cannot find the 100% deposit of its Equitable PCI Bank shares only through a public bidding and not, as published in the newspaper, through a negotiated sale as BDO's Government."

As of yesterday, BDO issued an intention to sign the deal, but extend the period in which the deal. BDO president Hamed said that the BIR had said that since the agreement signed last December with the BIR

was legally "binding," the bank could choose to go to court if the BIR decided to alter the deal.

Although the Department of Justice had cleared the bank's involvement, the BIR did not appear to be in a hurry to consummate the agreement. BDO, the largest, was ready to close the deal and raise the cash needed to buy the BIR.

BDO said it was not possible to consummate the deal.

Meanwhile, Mawani Capital did not say if it was a letter to BDO dated June 4, intended to buy the 100% stake in Equitable PCI Bank shares held by the BIR with a discount offer prior to this.

"The BIR is interested in purchasing the shares at an indicative price of P40 per share, said

but to the satisfaction of conditions necessary for the type of transaction, including, without limitation, satisfactory completion by the Fund of a due diligence investigation of the bank," BDO said.

BDO submitted Mawani Capital's letter as a supplemental motion to its complaint against the BIR in the Manila Regional Trial Court dated June 25.

The plan, the BIR said, the government will all benefit from the June 4, 2004, Mawani offer a accepted and defendants would greatly about the discount if they want the Mawani offer to be accepted.

BDO earlier agreed to pay P40.50 a share or P14 billion for the bank but this would be through a combination of a cash

Source









**CELL phone users say  
enough is enough** /C4

# LIFE *STYLE*



USE utensils beginning with those at the outermost part. Your drinking glass is to your right.

## Thou shalt not covet thy neighbor's fork

TWO things I am currently addicted to—sinfully delicious:

- Fudgy Bonbons—6331513
- Chocolate Ganache Cake—8962280

I always find myself in an embarrassing situation when I eat in an expensive restaurant. What fork, knife and spoon to use? And by the way I often end up drinking from someone else's glass.

MARI LACUNA

Mari, there is a commandment stricter than not coveting thy neighbor's wife—and that is not coveting his knife!

There are simple rules to follow:

- Start using the utensils from the outside moving toward towards the plate.
- Drink right (meaning your glass or glasses are on your right) and eat left (your bread plate is on the left).
- Dessert forks and spoons are found either on top of your plate or given to you as needed.

Siling labuyo is my husband's favorite so we have it all the time with our meals and add it to everything. (But) I often burn my tongue because of it and so do our visitors. What's the best remedy?

LJHDA GARCIA

To this problem, I have a three-way solution. First, your guests should realize they are unwanted, considering that they end up with burned tongues. Don't they get the hint?

Second is to serve chilies as a condiment so people can choose whether or not to add it to their food. Truth of the matter is that too much chili spoils the flavor and identity of a dish, so use it sparingly.

Third, water doesn't relieve chili burn, nor do dairy products such as milk. The best way to ease the discomfort is to take a spoonful of sugar or to eat/drink something sweet.

How do I boil meat to tenderize it fast? Do I put a teaspoon in the boiling water?

MS CRUZ

I've heard this a million times—adding a teaspoon that is. Why not a tablespoon, mill phone or lighter? I truly don't get it, nor have I found a scientific explanation for it.

What to me is more acceptable is to add a piece of cork. Cork has tannin, which is said to aid in tenderizing. They do this in Italy when boiling octopus, and somehow it works beautifully.

I would like to request for an all-purpose barbecue sauce.

WILLIAM OF  
TARLAC

Since you think I'm wonderful and because dozens of others have sent text messages asking for it as well, here is an all-purpose barbecue sauce recipe. Adjust the ingredients—sugar, chili, etc.—according to your personal preferences. This is excellent either as a basting sauce while grilling, for fried meat and chicken, as a marinade or as a table-top sauce.

- 1 c ketchup
- ½ c chopped yellow onions or 1 tbsp onion powder if you want to keep sauce longer
- 3-4 tbsp packed light brown sugar
- 1 ½ tsp chopped

### KITCHEN RESCUE

*Heppie Aspiras*



- garlic or 1 tsp garlic powder
- 1 tsp molasses
- 2 tbsp honey
- 2 tbsp water
- 1-2 tsp mustard

Tracy Q







